

ASX: MRD | OTC: MRDMF INITIATION OF COVERAGE

Mount Ridley Mines

The world's largest publicly reported scandium resource, a proprietary leach process that recovers it, and a A\$42m market capitalisation in the month Washington committed US\$400m to the metal

* Last close A\$0.032 and market capitalisation A\$42.5m as at 25 August 2026.

RATING
SPEC. BUY
initiating

PRICE TARGET
A\$0.144*
~350% upside

THE CASE

On 26 August 2026 Mount Ridley Mines reported an upgraded inferred scandium resource of **946Mt at 50.1ppm Sc for 47,357t of contained scandium metal** at its Grass Patch Complex, 25km northeast of the deepwater port of Esperance in Western Australia. It is the largest publicly reported scandium resource under the JORC Code, and it holds roughly two and a half times the contained metal of Sunrise Energy Metals' Syerston, the deposit the Pentagon has just agreed to fund with US\$400m. It covers two of the project's three resource blocks; the third carries a gallium resource and no scandium estimate at all.

The world produces roughly 80 tonnes of scandium oxide a year against modelled 2030 demand above 300 tonnes. Mount Ridley has 47,357 tonnes of contained metal in the ground, from surface, free-dig, 25km from a deepwater port in a Five Eyes jurisdiction, alongside 109kt of rare earth oxide and 24,584t of gallium in the same rock. This month it demonstrated a process of its own that recovers all three. The market capitalisation is A\$42.5m.

OUR READ

- Washington has just repriced the metal, not the company.** On 7 August the US Department of War's Office of Strategic Capital committed up to US\$400m in 25-year debt to Sunrise Energy Metals for the world's first primary scandium mine, with a right of first offer over output. Sunrise rose as much as 29% in a session. Mount Ridley, holding two and a half times Syerston's contained scandium in a Five Eyes jurisdiction 25km from a deepwater port, barely moved on the news. That is the trade.
- The resource just grew 155% out of a storage shed.** Grass Patch sits on more than 70,000m of historical drilling done when the ground was chased for nickel and copper, and scandium was never assayed. Phase 1 re-assays of 3,271 archived pulps took contained scandium from 18,555t to 47,357t without a metre of new drilling. Around 14,000 pulps remain, Phase 2 is underway, and roughly 80% of the 1,000km² tenure has never been tested for scandium. Resource growth here costs laboratory fees, not drilling campaigns, and it is the fastest lever this company has.
- Metallurgy was the gate, and it moved on 12 August.** Grass Patch is low grade, inferred and, until this month, unproven downstream. That was the whole of the discount. Mount Ridley's wholly owned Selectro process recovered **80% of the scandium, 56% of the gallium and 77–83% of the heavy rare earths** from a single unbeneficiated leach, against an HCl baseline of 27.6% and zero respectively. A provisional patent was lodged on 19 August. On the company's own framing, Selectro is a licensable technology in its own right, and we ascribe nothing to it.

SNAPSHOT

Last close*	A\$0.032
Price target	A\$0.144
Implied upside	~350%
52-wk range	0.002–0.087
Shares on issue	1,328.3m
Market cap	A\$42.5m
Contained Sc	47,357t
EV / t Sc	~A\$860/t
RIM, same stage	~A\$3,400/t
Risk	High

ASX: MRD

A\$0.032

12M · DAILY CLOSE

+0.000 (+0.0%)



Reconstructed daily closes to published anchor points. Indicative.

MRD re-rated through the late-2025 rare earth squeeze to A\$0.087, then gave almost all of it back through 2026 even as the maiden scandium, rare earth and gallium resources were delivered. It trades at an enterprise value of roughly A\$860 per tonne of contained scandium, a quarter of Rimfire Pacific's mark at the same stage.

NEXT CATALYSTS

Density testwork to lift portions of the resource above Inferred	underway
Phase 2 re-assays, c.2,000 pulps, of c.14,000	underway remaining
Bulk testwork: flotation beneficiation and Selectro optimisation	initiated
Selectro scoping study and demonstration plant design	2H 2026
Design and construction of a Selectro demonstration plant	H1 2027

Grass Patch: One Deposit, Three Critical Minerals

A clay-hosted regolith blanket on the south-eastern margin of the Yilgarn Craton and the Albany-Fraser belt, 25km northeast of Esperance. Scandium, gallium and heavy rare earths sit in the same rock, from surface, across three JORC 2012 inferred resources.

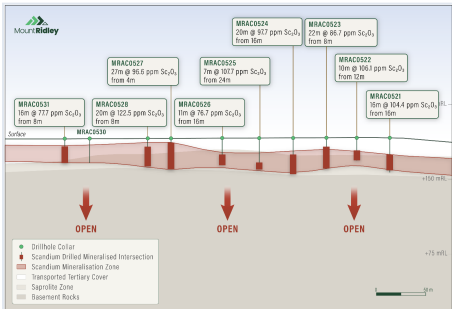
RESOURCE	ZONE	TONNES	GRADE	CONTAINED
Scandium	Blocks 1 and 2 only, 25ppm cut-off	946.1Mt	50.1ppm	47,357t
	Block 1, Keith corridor	367.5Mt	50.3ppm	18,475t
	Block 2, Winston corridor	578.6Mt	49.9ppm	28,882t
	Block 3 (Mia)	no estimate	—	—
Rare earths	HREE resource, 41% HREO of TREO	122.5Mt	889ppm	109kt
	of which dysprosium / terbium	—	—	4,272t / 719t
Gallium	Total, three blocks	838.7Mt	29.3ppm	24,584t
	Block 1, Keith	164.0Mt	29.8ppm	4,888t
	Block 2, Winston	372.3Mt	30.3ppm	11,288t
	Block 3, Mia	302.4Mt	27.8ppm	8,408t

Source: Mount Ridley Mines ASX announcements, including the upgraded scandium MRE of 26 August 2026. All three are JORC 2012 Inferred Mineral Resources and the tonnages overlap in the same rock volume, so they must not be added. Scandium grades are quoted as Sc metal at a 25ppm cut-off; the Company also reports 76.8ppm Sc₂O₃ for 72,637t of contained oxide. The scandium estimate covers Blocks 1 and 2 only.

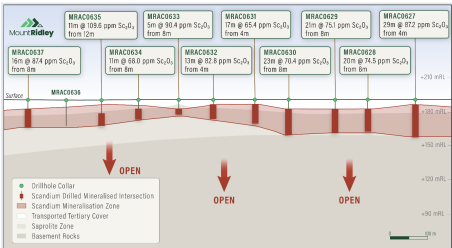
THE RE-ASSAY PROGRAMME

Grass Patch was drilled for nickel and copper. More than 70,000m of aircore and diamond holes exist, and the pulps were kept. Scandium was never assayed at the time, so the company has been sending stored material back to ALS in Perth. Phase 1 covered 3,271 pulps. Every significant intercept in the south-western cluster exceeded the then Block 1 average, a new zone was defined, and 13km of untested strike was identified between it and the nearest resource block.

The second tranche turned back to Block 1 itself and found mineralisation immediately outside the resource shell to the north, south, east and west, with several holes ending in mineralisation. Block 2 followed the same pattern on 14 July, with most of the intercepts tabled ending in mineralisation. On 26 August the Company modelled Phase 1 into the estimate: contained scandium rose 155% to 47,357t without a metre of new drilling. Of an estimated 17,000 pulps suitable for re-assay, roughly 14,000 remain; Phase 2 commenced mid-July, with about 2,000 further pulps being collected.



Block 1 cross section, 6312750N. A flat-lying blanket from near surface, open at depth. Source: MRD ASX, 26 August 2026.



Block 2 cross section, 6324100mN. Intercepts to 27m @ 96.6ppm Sc₂O₃, open at depth. Source: MRD ASX, 26 August 2026.

SCALE

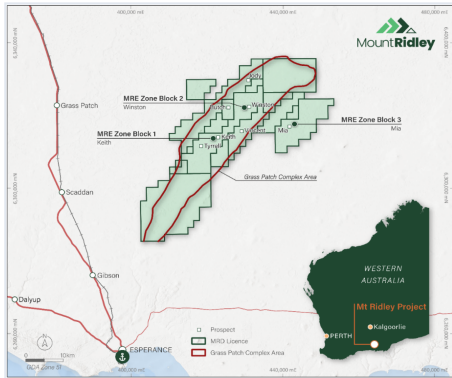
25km of strike

Up to 6km wide, from surface to 70m depth, defined on 410 holes for 14,828m. Free-dig regolith, no hard rock.

BEST RE-ASSAY INTERCEPTS

MRAC0977, from 33m	22m @ 134.1
MRAC0962, from 18m	20m @ 119.0
MRAC0965, from 12m	13m @ 117.3
Block 2, from 20m	19m @ 127.7
Block 2, from 24m	24m @ 114.5
Block 1 avg, new MRE	77.3
Block 2 avg, new MRE	76.5

ppm Sc₂O₃. Downhole widths. Source: MRD ASX, 11 and 23 June and July 2026.



Grass Patch tenure and the three MRE zone blocks: Keith, Winston and Mia. Esperance port is 25km southwest. Source: MRD ASX, 26 August 2026.

Selectro: The Second Asset

A low-grade regolith deposit is worth what you can pull out of it. On 12 August Mount Ridley reported that its own leach process recovers three critical minerals from a single pass, unbeneficiated and unoptimised. On 19 August it lodged a provisional patent over the process.

ELEMENT GROUP	SELECTRO	HCL BASELINE	UPLIFT
Scandium	80%	27.6%	~2.9x
Heavy rare earths, incl. Dy, Tb, Y	77-83%	0-51%	>2x
Light rare earths, incl. Nd, Pr	70-77%	—	—
Gallium	56%	0%	n/a

Source: MRD ASX, 12 and 19 August 2026. Testwork by Nagrom Pty Ltd, Perth, on historical Grass Patch drill samples. Selectro and HCl tests were run on the same composite sample. Dysprosium and terbium averaged above 80% recovery against an HCl average of 38%. All results are initial, on unbeneficiated feed, and without reagent or process optimisation.

WHY THIS CHANGES THE COMPANY

Scandium recovery was the open question in our thesis and it has been answered at 80%, against 27.6% on the conventional acid route. Gallium is the more striking number: hydrochloric acid recovered none at all, so 24,584t of contained gallium moves from an unrecoverable line item to a potential co-product. A single leach lifting scandium, gallium and both rare earth fractions is the difference between a large low-grade blanket and a polymetallic project, because the processing cost is shared across four revenue streams rather than carried by one.

The process was developed over more than a decade by Chief Technology Officer Chris Larder and is held by wholly owned subsidiary Mount Ridley Tech Pty Ltd, with no third-party ownership interest. The provisional filing secures a priority date and a twelve-month window to pursue protection overseas. Management states the process has application beyond regolith systems, to lateritic and sedimentary deposits, and is assessing third-party licensing, with a Materials Transfer Agreement executed with Oak Ridge National Laboratory and samples under evaluation at Fraunhofer in Germany. We ascribe no value to that today, but it is a genuine second option on the equity.

SCANDIUM RECOVERY

80%

Unbeneficiated, unoptimised, first pass. The HCl baseline on the same composite returned 27.6%.

PROCESS CHARACTERISTICS

Ownership	100%, MRD Tech
IP status	Provisional, 19 Aug
Design	Closed loop
Reagents	Below HCl / unit
Recycling	Yes, no top-up
Stage	Bench scale

TIMA, 6 AUGUST 2026

Automated mineralogy by AXT confirms the rare earths sit in three discrete phosphate minerals, xenotime, crandallite group phosphates and monazite/rhabdophane, rather than adsorbed onto clay. Xenotime, the strongest heavy rare earth host, was the most common. That opens flotation as a way to concentrate ore ahead of leaching, cutting the volume fed to the plant. Bench-scale flotation across a range of grind sizes has been fast-tracked.

WHAT IS NOT YET PROVEN

These are bench-scale leach recoveries on composite samples, not a pilot plant and not recovery to a saleable product. Reagent consumption, impurity behaviour, downstream separation and capital cost are all unquantified, and no scoping study exists. A provisional application is not a granted patent.

The Largest Scandium Deposit In The World

At 47,357t of contained scandium, Grass Patch is the largest publicly reported scandium resource under the JORC Code, roughly two and a half times the deposit Washington has just funded with US\$400m. Scale is the strategic point: in a market where one funded mine cannot close the forecast deficit, the largest undeveloped scandium inventory in the allied world is an asset in its own right, and it is still growing.

PUBLICLY REPORTED SCANDIUM RESOURCES, CONTAINED METAL

Grass Patch · MRD · WA, Australia	47,357t
Syerston · SRL · NSW, Australia	19,007t
Fifield / Avondale · RIM · NSW, Australia	10,566t
Crater Lake · SCD · Québec, Canada	6,610t
Nyngan · SCY · NSW, Australia	3,970t
Flemington · AUZ · NSW, Australia	2,810t

Cashu Research, from company disclosures. Contained scandium metal across all reported categories; RIM is the ~10,566t headline resource. Confidence categories and stages differ materially across projects; see the peer table on page 6.

WHY SCALE IS STRATEGIC

Scandium's problem has never been demand, it has been deposits. Consumption of roughly 60t a year against modelled 2030 demand above 310t is rationed by supply: almost every tonne is a by-product stream, and the West's only funded response, Syerston, is designed for 60t a year with Lockheed Martin already holding an option over the first 15t. Grass Patch holds two and a half times Syerston's contained metal, inventory enough to support whatever plant scale demand ultimately justifies, for decades.

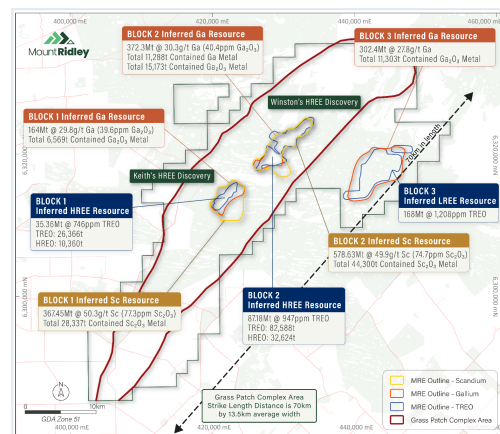
The case compounds because it is not one metal. Scandium and gallium both sit under Chinese export licensing, and the heavy rare earths are China-dominated. Grass Patch carries all three in the same rock, from surface, with a wholly owned process demonstrated to recover them in a single leach, 25km from a deepwater port in a Five Eyes jurisdiction. That is the profile the US\$400m Syerston commitment exists to create, available at larger scale and a fraction of the price.

ROOM TO KEEP GROWING

The estimate covers two of three blocks and 25km of the more than 30km of strike mapped by gravity; roughly 80% of the 1,000km² tenure is untested for scandium, ~14,000 archived pulps await re-assay and the system is open at depth. Below we size what further growth could mean at the same A\$4,000 of enterprise value per tonne behind our target; the multiple is derived on page 6.

STAGE	SOURCE OF GROWTH	CONT. SC	EV	PER SH.
Defined today	Blocks 1 and 2 upgraded inferred MRE, 26 August 2026	47,357t	A\$189.4m	A\$0.144
Phase 2 re-assay	Remaining ~14,000 pulps modelled into Blocks 1 and 2	55,000t	A\$220.0m	A\$0.167
Block 3	Mia estimated over its defined 302.4Mt gallium footprint	60,000t	A\$240.0m	A\$0.182
Western trend	South-west zone and the 13km of untested strike between	75,000t	A\$300.0m	A\$0.227
District	Eastern trend, MRD-T targets and depth below 70m	90,000t	A\$360.0m	A\$0.272

Cashu Research analysis. Levels above 47,357t are our own illustrative estimates, not company guidance or JORC exploration targets, and may not be realised. Constant A\$4,000 of EV per tonne; per share adds back A\$1.89m cash on 1,328,335,031 shares, no dilution. The highlighted row sets the A\$0.144 target. Today's EV mark is ~A\$860/t.



Every defined resource at Grass Patch: scandium, gallium, HREE and LREE outlines across the three blocks. The complex area spans 70km of strike at 13.5km average width. Source: MRD ASX, 26 August 2026.

WHAT IS NOT IN THE ESTIMATE

Strike in the MRE	25km
Strike mapped by gravity	>30km
Blocks with a Sc estimate	2 of 3
Untested SW strike	13km
Primary MRD-T targets	7
Secondary MRD-C targets	7
Base of the MRE	70m
Depth to fresh rock	70–80m

THE GRADE QUESTION

Growing tonnes at 50ppm is useful. Finding a higher-grade population inside the envelope would matter more, because grade is what separates MRD's A\$860 per tonne from Flemington's A\$23,800. Phase 1 returned 110 to 153ppm Sc₂O₃ against new block averages of about 77, the first evidence that a higher-cut-off subset may exist. Whether it is coherent enough to model is the open question.

A Sixty Tonne Market Meets The AI Build-Out

Scandium is the smallest strategically significant metal market in the world, and the one where Western supply is closest to zero. Two demand curves are now steepening against it at once: the fuel cells being installed to power AI data centres, and the alloys that go into Western defence platforms. Washington has started writing cheques.

What scandium is for

A small addition of scandium to aluminium produces an alloy that is lighter, stronger and weldable, which is why it appears in fighter airframes, missile bodies and additively manufactured components. Aerospace modelling puts lifetime fuel savings from higher-loading Al-Sc alloys at roughly US\$9m for a single narrow-body aircraft. Beyond alloys, scandium oxide stabilises the zirconia electrolyte in solid oxide fuel cells, and aluminium scandium nitride has become the ferroelectric material of choice for high-temperature memory and 5G/6G filters. Oxide sells for around US\$3,350 to US\$3,500 per kilogram.

Why the West has none of it

Almost all scandium is recovered as a by-product of other processing, principally in China. Chinese industrial by-product streams carry roughly 10 to 20ppm, and Sunrise's own filing puts China at about 85% of the world's primary scandium raw materials and 100% of scandium metal. In April and again in October 2025 Beijing placed scandium under export licensing, so every shipment now leaves at Beijing's discretion, case by case. Delivery runs one to six months even on modest volumes. For aerospace and defence programmes that cannot qualify an intermittent supplier, a licensing regime is functionally an embargo.

How deep that dependence runs became a market event in July, when Hunterbrook Media published an investigation into Bloom Energy, the world's largest scandium consumer, whose chief executive had repeatedly told investors the company has no China supply chain. Hunterbrook traced four China-linked routes into it, and modelled global scandium oxide demand rising from roughly 60t in 2025 to about 310t by 2030 against supply of about 240t, two-thirds of it Chinese. Bloom alone would need roughly 220t to support the ramp Wall Street underwrites. Hunterbrook Capital disclosed a short position, so treat the model as an interested party's estimate, but the direction is corroborated: the USGS puts 2025 production near 80t, and Sunrise's own March 2026 feasibility study puts current demand at 50 to 60t with about 40t of it going into fuel cells.

That last split is the strategic point. Solid oxide fuel cells are already around two-thirds of scandium consumption, and the alloy demand, the F-35, aerospace, additive manufacturing and robotics, sits on top of it and is mostly still ahead. Both curves are steepening against a supply base that does not exist outside China.

The state bid arrives

In October 2025 Donald Trump and Anthony Albanese signed a critical minerals framework committing the two governments to more than US\$3bn of investment inside six months against a project pipeline valued at US\$8.5bn. On 7 August 2026, after a roundtable with mining executives in Washington, the Department of War's Office of Strategic Capital committed up to US\$400m, about A\$570m, in 25-year debt to Sunrise Energy Metals' Syerston project, taking a right of first offer over the output. The Pentagon's language was that the project would ensure Western alignment from mine to finished product. Sunrise shares rose as much as 29%.

Washington has decided that scandium supply is a national security problem and that Australia is where it gets solved. But Syerston is designed for 60t a year and Lockheed Martin already holds an option over the first 15t. One mine does not close a 65t gap. That is the case for a second Australian source, and Mount Ridley now holds the largest JORC scandium resource in the world, two and a half times Syerston's contained metal.

THE US COMMITMENT

US\$400m

Conditional 25-year debt facility from the Department of War's Office of Strategic Capital to Sunrise Energy Metals, 7 August 2026, with a right of first offer over Syerston's scandium output.

SUPPLY AND DEMAND, TONNES Sc_2O_3

Global production, 2025	~80t
Global demand, 2025	~60t
Global demand, 2030E	~310t
Global supply, 2030E	~240t
Modelled 2030 deficit	>65t
Bloom alone, at 5GW	~220t
Syerston nameplate	60t
China, raw materials	~85%

2030 figures are Hunterbrook Media's model, 8 July 2026; 2025 production per USGS. Estimates vary materially by source.

TIMELINE

Apr 2025	China places scandium under export licensing
Oct 2025	Trump and Albanese sign the critical minerals framework
Jan 2026	MRD reports maiden scandium resource of 18,555t contained metal
Jul 2026	Hunterbrook publishes on the scandium supply chain and the deficit
Aug 2026	US\$400m committed to Syerston; SRL up as much as 29%
Aug 2026	MRD upgrades to 47,357t, the world's largest scandium resource

Valuation: Priced Below Its Nearest Comparable

Sunrise is the wrong primary comparable for MRD. It is funded, permitted and reserve-backed, and it trades accordingly. The right anchor is Rimfire Pacific, which sits at almost exactly MRD's stage on almost exactly MRD's kind of deposit, and the market marks it at roughly four times MRD's enterprise value per tonne in the ground.

CODE	PROJECT AND RESOURCE	STAGE	CONT. SC	EV	EV/T SC
MRD	Grass Patch, WA · 946.1Mt @ 50.1ppm	Inferred, testwork	47,357t	A\$40.6m	~860
RIM	Fifield / Avondale, NSW · 74.2Mt @ 142ppm	Mostly Inferred, early met	9,444t‡	~A\$32.1m	~3,400
SCY	Nyngan, NSW (TSXV) · 16.9Mt @ 235ppm	M&I, DFS, mine lease	~3,970t	~C\$53.3m	~15,000
SCD	Crater Lake, Canada (TSXV) · 37.2Mt @ ~270ppm Sc ₂ O ₃	PEA done, PFS underway	~6,610t	~C\$94.5m	~16,000
AUZ	Flemington, NSW · 6.3Mt @ 446ppm	~98% M&I, PFS underway	~2,810t	~A\$66.9m	~23,800
SRL	Syerston, NSW · 45.9Mt @ 414ppm	Reserve, funded, FID 2H26	19,007t	~A\$2.56bn	~135,000

Cashu Research, from company disclosures. Contained metal is stated as Sc, not Sc₂O₃; SCD's ~10,140t of contained Sc₂O₃ is converted at 1.53. Grades are ppm Sc except SCD as marked. ‡ RIM's headline resource contains ~10,566t Sc; we use ~9,444t attributable on current project ownership, which is the basis of the A\$3,400/t figure. EV is market capitalisation less latest reported cash; no company in the set carries material debt. ASX capitalisations at recent August 2026 closes; TSXV from mid-August 2026, converted at approximately A\$1.12 per C\$1. Several companies are multi-commodity, so each per-tonne figure attributes the whole EV to scandium and overstates the scandium-only mark.

How the peer set reads

Rimfire Pacific is the closest read-across on stage. Its Fifield and Avondale ground carries a headline 74.2Mt at 142ppm Sc for about 10,566t of contained scandium, mostly Inferred, with metallurgy at an early stage, which is where MRD sits. On roughly 9,444t attributable to current project ownership and an enterprise value of about A\$32m, RIM is marked at about **A\$3,400 per tonne** of attributable contained scandium. MRD, with five times the contained metal, trades at A\$860. Offshore the gap is wider still. North America's two primary-scandium developers, Scandium International's shovel-ready Nyngan in NSW and Scandium Canada's Crater Lake in Québec, are each a completed study further along and trade near A\$15,000 and A\$16,000 a tonne respectively, roughly eighteen times MRD's mark on far smaller resources.

That is the anomaly worth naming. Scale usually attracts a premium per tonne in the ground, not a discount, because a larger system supports a longer mine life and a bigger plant across the same fixed costs. MRD trades at a discount to a smaller peer at the same stage. Part of that is grade, 50ppm against RIM's 142ppm, and grade is a legitimate discount. Part of it is that the upgraded resource is a day old, the metallurgy landed two weeks ago, and the company was not on most investors' screens until this month.

Australian Mines shows what the next stage is worth. Flemington holds a much smaller but far higher-grade 6.3Mt at 446ppm Sc for about 2,810t of contained scandium, roughly 98% of it in Measured and Indicated categories, with a positive scoping study behind it and a pre-feasibility study underway. On an enterprise value of about A\$67m it trades near **A\$23,800 per tonne**. That is the prize for resource conversion and study progression, and it is roughly twenty-eight times MRD's current mark. Sunrise, at roughly A\$135,000 a tonne, shows what a funded, reserve-backed, permitted project earns; it is a precedent, not our comparable.

Read down the table and it describes a staircase rather than a scatter. A same-stage Inferred resource with early metallurgy clears roughly A\$3,400 a tonne. The North American primary-scandium developers, each a completed study further along, clear A\$15,000 to A\$16,000. Conversion to Measured and Indicated plus studies takes you to the mid twenty-thousands, and a reserve, permits, offtake and funding to A\$135,000. Each step is a discrete, observable piece of work, and MRD has not yet taken the first of them. Our target assumes it takes none.

EV PER TONNE CONTAINED SC

MRD, today	~A\$860
RIM, same stage	~A\$3,400
Cashu target multiple	A\$4,000
SCY, DFS (TSXV)	~A\$15,000
SCD, PEA (TSXV)	~A\$16,000
AUZ, stage up	~A\$23,800
SRL, funded	~A\$135,000

Our A\$4,000 target multiple sits modestly above Rimfire's same-stage mark and far below every developer.

WHY THIS METRIC

No scandium developer on the ASX has cash flow, and MRD has no economic study, so earnings and DCF multiples do not exist. Enterprise value per tonne of contained metal is the only measure that can be applied consistently across every name in the table. It is crude: it ignores grade, recovery, capital intensity, jurisdiction and mine life, all of which are real. We handle that by comparing only within stage, and by treating the more advanced names as evidence of what re-rating looks like rather than as targets.

EXCLUDED FROM OUR VALUATION

Heavy rare earth oxide	109kt
of which dysprosium	4,272t
of which terbium	719t
Contained gallium	24,584t
Selectro process	nil
Weld Range	nil

All in the same rock as the scandium, recovered by the same leach, and worth nothing in our target.

Target, Sensitivity and What Would Change It

We initiate with a Speculative Buy and a 12-month price target of A\$0.144, on a peer-matched EV multiple applied to the upgraded 47,357t scandium resource as it stands today and nothing else.

Speculative Buy, target A\$0.144

We apply an enterprise value of A\$4,000 per tonne of contained scandium to the defined 47,357t resource. No growth is assumed: the 26 August upgrade delivered the doubling, and the market has yet to pay for it. At A\$4,000 a tonne that is an EV of approximately A\$189m, an equity value of A\$191m after cash, and a target of **A\$0.144 a share**, roughly 350% above the last close. The multiple is deliberately unambitious: it sits modestly above where Rimfire trades at the same stage, roughly a quarter of the North American developers' marks, a sixth of Australian Mines and about 3% of Sunrise. Nothing is attributed to 109kt of rare earth oxide including 4,272t of dysprosium, to 24,584t of gallium, to the Selectro process, or to Weld Range.

The upside no longer requires the resource to grow. A\$0.144 prices the defined 47,357t at A\$4,000 a tonne of EV, so the whole journey from A\$0.032 to the target is multiple expansion: the market re-rating MRD from an EV of about A\$860 per tonne to a level only modestly above Rimfire's same-stage mark. Every step beyond it is further multiple expansion on the same tonnes. Density testwork and category conversion point toward the North American developers' A\$15,000 to A\$16,000; a scoping study toward Flemington's A\$23,800. The sensitivity below prices the current resource across that range: the defined tonnes support A\$0.215 at A\$6,000 and A\$0.322 at A\$9,000, with no new tonne added. Resource growth, through Phase 2 re-assays, Block 3 and the untested 80% of tenure, sits on top of all of it and is sized on page 4.

What would take us higher

Two things, and they compound. The first is the multiple, which we have deliberately held at the same-stage band and which moves on evidence: conversion of Inferred material toward Indicated, for which density testwork is already underway, a maiden scoping study, a defined higher-grade subset, or an offtake or government-backed financing discussion of the kind Syerston attracted. The second is contained metal, which the sensitivity opposite prices mechanically. Australian Mines is the live illustration. It holds a seventh of MRD's contained scandium and is valued at 1.7 times the company, because it has converted its resource to roughly 98% Measured and Indicated, completed a scoping study and moved into pre-feasibility. That path is available to MRD and is not in our number.

If both happened together, the arithmetic gets large quickly. We are not underwriting that, and we would rather raise the target on published results than defend a number set on hope.

What would take us lower

The multiple is not a floor and the same arithmetic runs in reverse. Bulk testwork that fails to hold Selectro's recoveries at scale would undercut the case for valuing a 50ppm blanket at all; a re-assay tranche that dilutes rather than lifts grade, a discounted capital raising, or a China-driven reset of a market this small would each do damage. Key risks are summarised on page 8.

SENSITIVITY: RESOURCE AGAINST MULTIPLE

CONTAINED SC	A\$860/T	A\$2,000/T	A\$4,000/T	A\$6,000/T	A\$9,000/T
40,000t	A\$0.027	A\$0.062	A\$0.122	A\$0.182	A\$0.272
47,357t	A\$0.032	A\$0.073	A\$0.144	A\$0.215	A\$0.322
60,000t	A\$0.040	A\$0.092	A\$0.182	A\$0.272	A\$0.408
75,000t	A\$0.050	A\$0.114	A\$0.227	A\$0.340	A\$0.509

Cashu Research. EV per tonne; per share adds back A\$1.89m cash on 1,328,335,031 shares, no dilution. A\$860/t is today's EV mark, A\$4,000/t our target multiple. Levels above 47,357t are our own illustrative estimates, not company guidance, exploration targets or Mineral Resources under the JORC Code, and may not be realised. Our A\$0.144 target uses the highlighted column and 47,357t row.

RECOMMENDATION

Rating	Speculative Buy
Action	Initiating
Target	A\$0.144
Implied upside	~350%
Last close	A\$0.032
Risk	High

RESOURCE SENSITIVITY AT A\$4,000/T EV

CONT. SC	EV	PER SHARE
40,000t	A\$160.0m	A\$0.122
47,357t	A\$189.4m	A\$0.144
55,000t	A\$220.0m	A\$0.167
60,000t	A\$240.0m	A\$0.182
75,000t	A\$300.0m	A\$0.227

A constant A\$4,000 of EV per tonne of contained scandium; per share adds back A\$1.89m cash on 1,328,335,031 shares. The 47,357t row is the resource as defined and sets the A\$0.144 target; higher levels are illustrative only: no dilution, not forecasts, not JORC exploration targets. See page 4 for what each level requires.

RATING BASIS

Speculative Buy requires an expected return above 15% over 12 months together with elevated risk of capital loss. Our target implies ~350%. The qualifier reflects that MRD holds no reserve, no economic study and no revenue. Key risks are set out on page 8.

KEY RISKS

Metallurgy

Selectro's recoveries are bench-scale, on composite samples, to solution rather than to product. Reagent consumption, impurities and capital cost are unquantified. Failure to hold at scale is the single largest risk to the thesis. The patent is provisional only.

Funding and dilution

Pre-revenue with a small cash balance against an active work programme, so further raising is likely rather than possible. Every figure here assumes the current 1,328,335,031 shares and allows nothing for dilution.

Resource confidence

All three resources are Inferred, a lower confidence than Indicated, with no certainty of conversion or economic extraction, and additional density testwork is still required to support any category upgrade. There is no Ore Reserve, no scoping study, and no scandium estimate over Block 3.

Commodity and policy

Scandium and gallium trade in markets of tens of tonnes a year, with no exchange price or forward curve, and China can reset pricing at will. Syerston carries no price floor, so Washington has not chosen to underwrite scandium pricing, and support beyond Syerston is speculation.

Grade

At 50.1ppm Sc, Grass Patch is roughly an eighth of Syerston's grade and a third of Rimfire's. Low grade drives strip, throughput and plant scale, and no study yet tests whether the economics work.

Our own estimates

Contained-metal levels above 47,357t on pages 4 and 7 are illustrative, not exploration targets under the JORC Code and not forecasts. Re-assays may dilute grade as readily as lift it, the 13km gap may not be continuous, and Mia may carry little scandium.

DISCLOSURES

We provide only general financial product advice.

You should note that general advice does not relate specifically to you and is prepared without taking into account any of your objectives, financial situation or needs. As a result, before acting on the general advice, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs, and consider seeking the advice of relevant legal, taxation, superannuation, financial and/or other relevant advisors before the information is acted on. The general advice provided relates to securities which are listed on an exchange (usually the Australian Stock Exchange).

You should consider any information published by the listed company (including, without limitation, any prospectus, ASX announcements, or other investor updates published by the relevant company) before acquiring or investing in any shares. Whilst Cashu Research has taken reasonable care, there is no guarantee by either Cashu Research, or its AFSL provider, ASG, that the information in this Research Report is accurate or up to date.

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Mineral Resource estimates referred to in this report are Inferred Mineral Resources under the JORC Code 2012 unless otherwise stated. An Inferred Mineral Resource has a lower level of confidence than an Indicated Mineral Resource and there is no certainty that further exploration work will convert it to a higher category, or that it will be economically extracted. Figures relating to Sunrise Energy Metals are drawn from that company's public disclosures and third-party reporting and are included for comparative purposes only; this report is not research on Sunrise Energy Metals.

Rating definitions: BUY (expected return >15% over 12 months); HOLD (~15% to +15%); SELL (<-15%). A Speculative rating qualifier indicates elevated risk of capital loss and that the investment is suitable only for investors able to bear that risk.

The general advice in this Research Report is provided by Cashu Research. Cashu Research is part of Cashu Technology Pty Ltd, which is an authorised representative (AR # 001318029) of Adviser Solutions Group Pty Ltd (ABN 88 601 875 521) (AFSL 485946) (ASG).

REFERENCES

MRD ASX, 26 August 2026 — "Scandium Resource Upgraded to 946Mt at the Grass Patch Project": Inferred MRE 946Mt @ 50.1ppm Sc (76.8ppm Sc₂O₃) for 47,357t contained Sc (72,637t Sc₂O₃), 25ppm cut-off; Block 1 367.45Mt @ 50.3ppm for 18,475t, Block 2 578.63Mt @ 49.9ppm (76.5ppm Sc₂O₃) for 28,882t; 410 holes for 14,828m.

MRD ASX, January 2026 — maiden Inferred scandium Mineral Resource: 367.98Mt @ 57.3ppm Sc for ~18,555t contained Sc.

MRD ASX, 23 March 2026 — heavy rare earth resource; 5 May 2026 — 3D gravity modelling (Core Geophysics Pty Ltd).

MRD ASX, 11 and 23 June 2026 — Phase 1 scandium re-assay results; south-western zone and 13km untested strike; Block 1A and 1B margins open in all directions.

MRD ASX, 7 and 14 July 2026 — Block 2 re-assay results; Phase 2 commencement.

MRD ASX, 6, 12 and 19 August 2026 — TIMA mineralogy (AXT Pty Ltd); "Proprietary Leach Process Delivers Exceptional HREE, Scandium & Gallium Recoveries" (testwork by Nagrom Pty Ltd); "Selectro™ Process Now Patent Protected".

SRL ASX, 5 February 2025 and September 2025 — updated Syerston Mineral Resource: 45.9Mt M&I @ 414ppm Sc for 19,007t contained scandium. SRL ASX, 10 August 2026 — conditional US\$400m commitment from the US Department of War Office of Strategic Capital; proposed US listing.

Peer data: RIM — Fifield / Avondale scandium resource of 74.2Mt @ 142ppm Sc for ~10,566t contained Sc headline, ~9,444t attributable. AUZ — Flemington 6.3Mt @ 446ppm Sc for ~2,810t contained Sc, ~98% Measured and Indicated, scoping study complete and PFS underway. SCY (TSXV) — Nyngan 16.9Mt @ 235ppm Sc (~3,970t), DFS and mining lease. SCD (TSXV) — Crater Lake 37.2Mt @ ~270 g/t Sc₂O₃ (~6,610t Sc), PEA 2022, PFS underway. Peer caps: RIM A\$35,989,666, AUZ A\$72,137,269, SRL A\$2,675,622,227 at recent August 2026 closes; SCY C\$53.73m, SCD C\$106m. EV deducts latest reported cash (MRD A\$1.89m, RIM ~A\$3.85m pro forma, SCY ~C\$0.45m, SCD C\$11.55m, AUZ A\$5.2m, SRL A\$115.4m); no material debt.

Hunterbrook Media, 8 July 2026 — "Bloom's Big Lie", investigation into Bloom Energy's scandium supply chain and the global scandium supply-demand balance. Hunterbrook Capital disclosed a short position in \$BE at publication.

US Department of War / White House statements, 7–8 August 2026; US-Australia Critical Minerals Framework, October 2025. USGS Mineral Commodity Summaries 2026, scandium.

Market data: MRD last close A\$0.032 and market capitalisation A\$42,507,475 as at 25 August 2026; 1,328,335,031 shares on issue. The page 1 price series is reconstructed to published anchor points and indicative only.